



DEPARTMENT OF THE NAVY  
OFFICE OF THE CHIEF OF NAVAL OPERATIONS  
WASHINGTON, D.C. 20350

IN REPLY REFER TO  
OPNAVINST 5527.2  
Op-412C  
24 October 1980

OPNAV INSTRUCTION 5527.2

Subj: Policy regarding command action in response to offenses involving the operation of the Navy Exchange System

Ref: (a) OPNAVINST 5527.1, Subj: Investigations pertaining to Navy Resale System matters; reporting requirement  
(b) Uniform Code of Military Justice  
(c) SECNAVINST 5822.1, Subj: Federal Magistrates Act; Implementation by Department of the Navy  
(d) Navy Exchange Manual, Chapter 5  
(e) SECNAVINST 5300.22, Subj: Navy and Marine Corps Personnel Policy Manual for Nonappropriated Fund Instrumentalities (NAFIs), Chapter V (NOTAL)  
(f) MILPERSCOMINST 1750.1, Subj: Uniformed Services Identification and Privilege Card, DD Form 1173; procedures for  
(g) SECNAVINST 5520.3, Subj: Criminal and security investigations and related activities within the Department of the Navy

1. Purpose. To set forth policy regarding command action against persons committing offenses which adversely affect the Navy Exchange System and to ensure reasonable consistency in such actions.

2. Discussion. The officer responsible for a Navy exchange shall take appropriate and timely action when there is evidence of larceny, fraud, malfeasance, excessive inventory loss or other offenses affecting that exchange. Recent studies indicate the need for increased command awareness, consistent and aggressive enforcement policies, and effective follow-up action in all cases. This instruction provides guidance for command action regarding individuals who have committed offenses involving the operations of the Navy Exchange System. Reference (a) requires reports on all investigations which have an adverse impact upon activities within the Navy Resale System be made to the Commander, Navy Resale and Service Support Office.

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3. Definition. For the purpose of this instruction, "offense" means any act, conspiracy, or attempt to violate any law, rule, instruction, order, or regulation involving the operations of the Navy Exchange System. The term includes, but is not limited to, theft or loss of property or funds, dishonored checks, forgery, fraud, and shoplifting.

4. Action. In addition to appropriate command action pursuant to the provisions of reference (b) through (g), the following guidelines shall be considered with respect to the offenses listed.

a. Dishonored Personal Checks.

(1) The drawer of a dishonored check shall be immediately contacted by telephone or certified mail to effect collection. The drawer's check-cashing privilege shall be suspended pending full restitution.

(2) The check-cashing privilege may be suspended for a period of time up to six months for any individual who has had two or more checks returned through the individual's own fault or negligence, within a six-month period, even though full restitution has been made. For repeated offenses, the check-cashing privilege may be suspended for a period of time up to two years.

(3) If, within thirty days after notification of the dishonor is received by the drawer, full restitution for a dishonored check is not received, the drawer's commanding officer or sponsor, as appropriate, will be notified in writing of the circumstances. In cases where the drawer is other than a military member, an authorized civilian employee, or a dependent of a living military or retired sponsor, such notification will be made to the Commander, Navy Military Personnel Command (NMPC-64).

(4) If restitution has not been made within six months after the drawer is notified of the dishonor, the commanding officer of the drawer, or of the drawer's sponsor, will be requested to consider suspending the drawer's exchange privileges. In cases where the drawer's exchange privileges are not subject to suspension by a commanding officer, such request will be made to the Commander, Navy Military Personnel Command (NMPC-64).

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b. Patron Theft

(1) Offenders who are subject to the jurisdiction of reference (b) should be appropriately dealt with thereunder. Nonpunitive measures, including the temporary withholding of Navy exchange privileges and check cashing privileges, shall also be considered.

(2) In addition to any appropriate action taken under applicable criminal law, patrons who are not subject to reference (b) may, at the discretion of the commanding officer concerned, have their Navy exchange and check cashing privileges suspended for a period of up to six months for the first offense and one year for the second offense.

c. Local procedures shall be developed to provide for a written appeal, by the person concerned, to the command suspending the person's exchange privileges.

d. Employee Malfeasance

(1) Administrative disciplinary action under the provisions of reference (e) should proceed independently of, and in addition to, any appropriate action taken under applicable criminal law.


(2) The offenses of theft and wrongful appropriation of Government, nonappropriated-fund, or other property is of such a nature that termination of employment shall be considered as a possible action.

(3) Immediate suspension from duties may be appropriate when it is determined that the continued presence of an employee-offender at the work site will be detrimental to the operation of the activity.

(4) Employees must be kept informed through supervisory channels, bulletin boards, house publications, and other means, that the Navy will not tolerate offenses by employees, and that offenders can expect appropriate management action.

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